

**Education and Workforce Development Cabinet**

# **Kentucky's jobless rate increases to 10.1 percent in September**

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**Editor's Note:** Preliminary September and revised August labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate rose to 10.1 percent in September 2010 from a revised 10 percent in August 2010, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The September 2010 jobless rate is .7 percentage points lower than the 10.8 percent rate recorded in September 2009 for the state. The 10.1 percent rate recorded in September 2010 matches the unemployment rate recorded in March 2009 and is the highest since May 2010 when the rate was 10.4 percent.

"Kentucky's economy continued to stagnate in September 2010. The unemployment rate increased to 10.1 percent as the state endured government cutbacks and layoffs at administrative and support businesses," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate stayed at 9.6 percent from August 2010 to September 2010, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Seven of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in September 2010, while four decreased, according to OET. An increase of 1,700 jobs in September 2010 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,772,000. Likewise, Kentucky's nonfarm employment has grown by 14,200 workers since September 2009.

According to the seasonally adjusted employment data, Kentucky's leisure and hospitality sector expanded by 3,100 jobs in September 2010. Since September 2009, the sector has climbed 3,500 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

"The easing in retrenchment by consumers is positively impacting the leisure and hospitality sector as individuals splurge more on restaurant meals and leisure activities," said Detzel.

The trade, transportation and utilities sector surged by 1,600 jobs in September 2010. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 368,800 employees. Since September 2009, the number of jobs in this sector has jumped by 7,600.

"The lion's share of the year-over-year job gains in this sector are attributed to transportation, warehousing and utilities establishments. This reflects expansions at air transportation businesses, shipping companies, a freight transportation service, utilities, and warehouses, and the openings of air transportation services and warehouses," said Detzel.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses; personal and laundry services; religious organizations and civic and professional organizations, went up by 800 positions in September 2010. This sector had 1,200 fewer positions in September 2010 than in September 2009.

The financial activities sector added 500 jobs in September 2010. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has lost 2,700 positions since September 2009.

The educational and health services sector reported 400 more workers in September 2010 than in August 2010. The sector has gained 1,100 workers since September 2009. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

Kentucky's manufacturing sector jobs rose by 300 in September 2010. Since September 2009, employment in the manufacturing sector has expanded by 4,800 positions.

"Job gains from August 2010 to September 2010 were clustered in the nondurable goods subsector. As the economy recovers, the manufacturing sector is ramping up production to meet the resurgence in demand for products," she said.

Employment in the mining and logging sector increased by 100 workers in September 2010. The sector has gained 600 workers since September 2009.

The professional and business services sector plummeted 2,600 positions in September 2010. This area includes professional, scientific and technical services; management of companies; and administrative support and waste management, including temporary help agencies. Since last September, jobs in the sector have surged by 10,000.

"The month-to-month employment decline in this sector occurred predominantly at administrative and support businesses, reflecting the end of temporary jobs at a payroll and billing support center and layoffs at an information technology and outsourcing services firm," said Detzel.

The government sector, which includes public education, public administration agencies and state-owned hospitals, lost 2,100 jobs in September 2010. The sector has 1,800 fewer jobs compared to September 2009.

Construction sector jobs fell by 200 in September 2010. Since September 2009, employment in the construction sector has plunged by 7,000 jobs.

The information sector reported 200 fewer positions in September 2010. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has dropped by 700 positions since September 2009.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for September 2010 was 1,867,888 on a seasonally adjusted basis. This figure is up 6,010 from the 1,861,878 employed in August 2010, and up 14,125 from the 1,853,763 employed in September 2009.

The monthly estimate of the number of unemployed Kentuckians for September 2010 was 209,481, up 3,486 from the 205,995 Kentuckians unemployed in August 2010, but down 14,898 from the 224,379 unemployed in September 2009.

The monthly estimate of the number of Kentuckians in the civilian labor force for September 2010 was 2,077,369. This figure is up 9,496 from the 2,067,873 recorded in August 2010, but down 773 from the 2,078,142 recorded in September 2009.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

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